

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 0382-01  
Bill No.: Perfected HB 48  
Subject: Certain Cities: Museums, Tax  
Type: Original  
Date: March 9, 2005

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### FISCAL ANALYSIS

#### ASSUMPTION

#### **Section 82.850 and 144.518 - Sales Tax for Tourism and Museum:**

Officials of the **Department of Revenue** assumes if they were to enter into an agreement to collect the tax, they could handle the additional workload with existing resources.

**Oversight** assumes if the Department of Revenue collects the sales tax, the DOR would retain a 1% fee for collecting the tax. The amount of money generated by the 1% fee is indeterminable and is unknown. Oversight will show fiscal impact to the State's General Revenue Fund as \$0 to Unknown. The impact would be \$0 if the city would collect it's own sales tax.

Officials of the City of Independence stated that a portion of the revenue would be recommended to operate the National Frontier Trails Museum, a facility owned by the State and operated by the City of Independence. The remaining funds would be used for tourism related activities.

Officials estimate that a 2% restaurant tax would generate \$2.6 million annually.

**Oversight** assumes there would be two trust funds established. The Museum Trust Fund would be used for museum related purposes and the Tourism-Related Trust Fund. All funds would be

ASSUMPTION (continued)

appropriated by the City Council

**Section 184.357 - Property Tax for Mo. History Museum Subdistrict:**

Officials of the **City of St. Louis** stated that this proposal would have no fiscal impact on the City.

**Oversight** assumes this is enabling legislation and would have no fiscal impact, unless the board of directors of the Metropolitan Zoological Park and Museum District would seek voter approval to increase the tax rate of up to six cents per one hundred dollars of assessed valuation.

**Oversight** assumes that this proposal as written does not mandate the museum district to place before the voters the question of increasing the tax rate, that act is discretionary, nor does this proposal mandate an increase in the tax rate. Therefore, Oversight assumes this proposal would have no fiscal impact.

**Oversight** will show fiscal impact as \$0 if the tax increase were placed on the ballot and were defeated, or if it were never placed on the ballot, to Unknown revenue if the question were placed on the ballot and passed by the voters of the district. Oversight assumes if the tax increase were passed there is no way to determine the amount of revenue that would be generated by the tax.

<u>FISCAL IMPACT - State Government</u>	FY 2006	FY 2007	FY 2008
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**GENERAL REVENUE FUND**

<b><u>Income</u></b> to Department of Revenue			
1% collection fee (Section 82.858)	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<b>ESTIMATED NET EFFECT TO GENERAL REVENUE FUND</b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>
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FISCAL IMPACT - Local Government                      FY 2006                      FY 2007                      FY 2008

**CITY OF INDEPENDENCE**

**Income** to Museum Trust Fund  
 from sale tax- appropriation                      Unknown                      Unknown                      Unknown

**Cost** to Museum Trust Fund  
 museum related activities                      (Unknown)                      (Unknown)                      (Unknown)

**Estimated Net Effect to Museum Trust  
 Fund \* (Sections 82.850 and 144.518)**                      \$0                      \$0                      \$0

**Income** to Tourism-Related Trust Fund  
 from sales tax appropriation                      Unknown                      Unknown                      Unknown

**Cost** to Tourism-Related Trust Fund  
 providing tourism related activities                      (Unknown)                      (Unknown)                      (Unknown)

**Estimated Net Effect To Tourism-  
 Related Trust Fund \* (Section 82.850)**                      \$0                      \$0                      \$0

**METROPOLITAN ZOOLOGICAL  
 PARK AND MUSEUM DISTRICT**

**Income** to Metropolitan Zoological Park  
 and Museum District Fund  
 from voter approved tax increase \*\*                      \$0 to Unknown                      \$0 to Unknown                      \$0 to Unknown  
 (Section 184.357)

**\* Oversight assumes in any given year, that costs would not exceed income. Therefore, fiscal impact would be either \$0 if all money were spent, or a positive Unknown fund balance. For purposes of this fiscal note, impact will be shown as \$0. (Section 82.850)**

**\*\* Oversight assumes this is enabling legislation and would require action by the district board with voter approval before fiscal impact would be realized. (Section 184.357)**

### FISCAL IMPACT - Small Business

Food establishments located within the sales tax district would be expected to collect and account for all sales tax. (Section 82.850)

Small businesses located within the defined boundary of the Metropolitan Zoological Park and Museum District would be expected to pay any increase in property taxes, provided the voters would approve an increase in taxes as a result of this proposal. (Section 184.357)

### DESCRIPTION

Section 82.850 and 144.518 authorizes the City of Independence, upon voter approval, to impose a sales tax in increments of one-eighth of 1% up to a maximum of 2% on all retail sales of food within the city to be used for museums and tourism-related activities. Museum and tourism-related activities that will qualify for the tax revenue are defined as well as the method of collecting the tax. A procedure is established for the repeal of the tax.

Section 184.357 creates additional ballot language that would enable a Missouri history museum subdistrict located in a Metropolitan Zoological Park and Museum District to put a proposal before the voters of the district to increase its property tax. This tax increased would be up to a maximum rate of six cents per hundred dollars assessed valuation.

The bill contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Department of Revenue  
City of Independence  
City of St. Louis



Mickey Wilson, CPA  
Director  
March 9, 2005